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Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the preparation of the 2008 Review Conference

New Partnership for Africa's Development: progress in implementation and international support

Follow-up to the outcome of the Millennium Summit

Letter dated 8 April 2009 from the Permanent Representative of Portugal to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith a letter from the Prime Minister of Portugal, Mr. José Socrates, in his capacity as Co-Chair of the African Partnership Forum, addressed to the Prime Minister of the United Kingdom of Great Britain and Northern Ireland, Mr. Gordon Brown, as Chairman of the Group of Twenty (see annex).

I would appreciate it if the present letter and its annex could be circulated as a document of the General Assembly, under agenda items 48, 57 (a) and 107.

(*Signed*) José Filipe **Moraes Cabral**
Ambassador

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Annex to the letter dated 8 April 2009 from the Permanent Representative of Portugal to the United Nations addressed to the Secretary-General

Key messages to the London Summit of the Group of Twenty

Africa is being badly hit by the effects of a global financial and economic crisis not of its making. This will lead to a sharp slowdown in economic growth. It will negatively impact on all sources of development finance and pose a severe risk of setting back progress, which Africa has made over the last five years in economic performance and towards the Millennium Development Goals. If action is not taken now, it will lead to higher levels of poverty and increased maternal and child mortality.

We strongly welcome the focus of the forthcoming Summit of the Group of Twenty (G20) on agreeing a package of measures to restore stability and growth in the global economy. We believe that maintaining growth and progress towards the Millennium Development Goals in Africa needs to be an essential part of this package. This will also help to strengthen the global recovery. Building on ideas and proposals, which are already being discussed, we propose the following.

Fiscal stimulus

As a group, African countries do not have the fiscal space to take counter-cyclical measures to stimulate growth. Africa needs a substantial increase in external resources. We call on the international community:

- To deliver on the Monterrey and Gleneagles commitments to increase official development assistance (ODA) and to improve its predictability and effectiveness
- To support infrastructure development, including through the financing of long-term concessional loans
- To take immediate measures to increase the lending capacity of the international financial institutions and the African Development Bank, including its recapitalization, to raise African countries' level of access, to finance safety net programmes and to introduce new instruments which will be flexible, quick disbursing and responsive to Africa's needs, avoiding cross-conditionalities
- To develop innovative financing mechanisms, including the use of the carbon market, in order to help Africa address the impact of climate change, which is also a problem not of its making.

Trade

We underline the importance of trade to Africa's future growth and prosperity. We call on G20 leaders to support a rapid and balanced completion of the Doha Round, and to make a clear commitment to avoid protectionist measures that constitute direct or indirect new barriers to the flows of trade. Further, special efforts are needed to ensure adequate trade finance, aid for trade and export credits are available for Africa.

Investment

We stress the critical role played by private investment. We welcome the recent increase in net private capital flows to Africa and the strong growth in remittances from private citizens. We are concerned that these sources of revenue are now at risk. We call for additional measures to promote private investment, particularly in infrastructure, including the increased use of guarantees and risk coverage.

Strengthened international cooperation on tax and illicit financial flows

African countries have made major strides in mobilizing domestic revenue, but their efforts continue to be hampered by the existence of international tax havens and illicit financial flows. We call on G20 leaders:

- To agree an immediate programme of action regarding tax havens
- To review urgently the adequacy of current policies to stem illicit financial flows.

Systemic reform

We believe that the crisis should be seized as an opportunity to reshape the international system in order to promote sustained and sustainable growth. The impact of the crisis has demonstrated Africa's stake in wider systemic issues. We welcome African participation at the G20 Summit, and the recent statement of G20 Finance Ministers on these issues. We call for stronger African representation in all international decision-making processes, namely in the international financial institutions.